

~~Extending Part 69 Rules~~

- ~~(a) Tandem Switched transport shall consist of two rate elements, a transmission charge and a tandem switching charge.~~
- ~~(b) A tandem-switched transmission charge expressed in dollars and cents per access minute shall be assessed upon all interexchange carriers and other persons that use telephone company tandem-switched transport facilities through October 31, 1995.~~
- ~~(c) Tandem-switched transport transmission charges generally shall be presumed reasonable if the local telephone company bases the charges on a weighted per-minute equivalent of direct-turbo transport DS1 and DS3 rates that reflects the relative number of DS1 and DS3 circuits used in the tandem-to-end office links, (or a surrogate based on the proportion of copper and fiber facilities in the interoffice network), calculated using a loading factor of 9000 minutes per month per voice grade circuit. Tandem-switched transport transmission charges that are not presumed reasonable generally shall be suspended and investigated absent a substantial cause showing by the telephone company.~~
- ~~(d) Tandem-switched transport transmission charges may be distance sensitive. Mileage shall be measured as airline mileage between the serving wire center and the end office, unless the customer has ordered tandem-switched transport between the tandem office and the end office, in which case mileage shall be measured as airline mileage between the tandem office and the end office.~~
- ~~(e) If the telephone company employs distance sensitive rates:~~

 - ~~(1) a distance sensitive component shall be assessed for use of the transmission facilities, including intermediate transmission circuit equipment between the end points of the interoffice circuit; and~~
 - ~~(2) a nondistance sensitive component shall be assessed for use of the circuit equipment at the ends of the interoffice transmission links.~~
- ~~(f) A tandem-switching charge expressed in dollars and cents per access minute shall be assessed upon all interexchange carriers and other persons that use telephone company tandem-switching facilities.~~
- ~~(g) Through October 31, 1995, the tandem charge shall be set to recover twenty percent of the annual Part 69 interstate tandem revenue requirement.~~
- ~~(h) All telephone companies, shall provide tandem-switched transport service.~~

Existing Part 69 Rules

- ~~(i) Except in the situations set forth in paragraphs (j) and (k) of this section, telephone companies may offer term and volume discounts in tandem-switched transport charges within each study area used for the purpose of jurisdictional separations, in which interconnectors have taken either:
 - ~~(1) at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area that the telephone company has assigned to the lowest priced density pricing zone (zone 1) under an approved density pricing zone plan as described in sections 69.30(b)(4) and 69.40(k) of this chapter; or~~
 - ~~(2) an average of at least 25 DS1 equivalent cross connects for the transmission of switched traffic per office assigned to the lowest priced density pricing zone (zone 1).~~~~
- ~~(j) In study areas in which the telephone company has implemented density zone pricing, but no offices have been assigned to the lowest priced density pricing zone (zone 1), telephone companies may offer term and volume discounts in tandem-switched transport charges within the study area when interconnectors have taken at least 5 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area.~~
- ~~(k) In study areas in which the telephone company has not implemented density zone pricing, telephone companies may offer term and volume discounts in tandem-switched transport charges when interconnectors have taken at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area.~~

§ 69.112 Direct-trunked transport.

- ~~(a) A flat rated direct-trunked transport charge expressed in dollars and cents per unit of capacity shall be assessed upon all interexchange carriers and other persons that use telephone company direct-trunked transport facilities through October 31, 1995.~~
- ~~(b) (1) For telephone companies subject to price cap regulation, initial direct-trunked transport charges based on the interoffice charges for equivalent voice grade, DS1, and DS3 special access services as of September 1, 1992, adjusted for changes in the price cap index calculated for the July 1, 1993 annual filing for telephone companies subject to price cap~~

~~Excluding Part 69 Rules~~

~~regulation, generally shall be presumed reasonable if the benchmark defined in § 69.108 is satisfied. Direct trunked transport charges may be distance sensitive. Mileage shall be measured as airline mileage between customer designated points.~~

- ~~(2) For telephone companies not subject to price cap regulation, direct trunked transport charges based on the interoffice charges for equivalent voicegrade, DS1, and DS3 special access services generally shall be presumed reasonable if the benchmark defined in section 69.108 is satisfied. Direct trunked transport charges may be distance sensitive. Mileage shall be measured as airline mileage between customer designated points.~~

~~(c) If the telephone company employs distance sensitive rates:~~

- ~~(1) a distance sensitive component shall be assessed for use of the transmission facilities, including intermediate transmission circuit equipment, between the end points of the circuit; and~~

- ~~(2) a nondistance sensitive component shall be assessed for use of the circuit equipment at the ends of the transmission links.~~

~~(d) Telephone companies shall apply only their shortest term special access rates in setting direct trunked transport rates.~~

~~(e) Telephone companies shall not offer direct trunked transport rates based on term discounts or volume discounts for multiple DS3s or any other service with higher volume than DS3 through October 31, 1995.~~

~~(f) Except in the situations set forth in paragraphs (g) and (h) of this section, telephone companies may offer term and volume discounts in direct trunked transport charges within each study area used for the purpose of jurisdictional separations, in which interconnectors have taken either:~~

- ~~(1) at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area that the telephone company has assigned to the lowest priced density pricing zone (zone 1) under an approved density pricing zone plan as described in sections 61.38(b)(4) and 61.49(k) of this section; or~~

- ~~(2) an average of at least 25 DS1 equivalent cross connects for the~~

~~Existing Part 69 Rules~~

~~transmission of switched traffic per office assigned to the lowest priced density pricing zone (zone 1).~~

- ~~(g) In study areas in which the telephone company has implemented density zone pricing, but no offices have been assigned to the lowest priced density pricing zone (zone 1), telephone companies may offer term and volume discounts in direct trunked transport charges within the study area when interconnectors have taken at least 5 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area.~~
- ~~(h) In study areas in which the telephone company has not implemented density zone pricing, telephone companies may offer term and volume discounts in direct trunked transport charges when interconnectors have taken at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area.~~
- ~~(i) Centralized equal access providers as described in Transport Rate Structure and Pricing, CC Docket No. 91-213, FCC 92-442, 7 FCC Red. 7002 (1992), are not required to provide direct trunked transport service. Telephone companies that do not have measurement and billing capabilities at their end offices are not required to provide direct trunked transport service at those end offices without measurement and billing capabilities. Telephone companies that are not classified as Class A companies under § 32.14 of this chapter are required to provide direct trunked transport service upon request. All other telephone companies shall provide a direct trunked transport service.~~

~~§ 69.113 Non-premium charges for MTS-WATS equivalent services.~~

- ~~(a) Charges that are computed in accordance with this section shall be assessed upon interexchange carriers or other persons that receive access that is not deemed to be premium access as this term is defined in § 69.105(b)(1) in lieu of carrier charges that are computed in accordance with §§ 69.105, 69.106, 69.110, 69.111, 69.112, 69.118, 69.124, and 69.127.~~
- ~~(b) The non-premium charge for the Carrier Common Line element shall be computed by multiplying the premium charge for such element by .45.~~
- ~~(c) For telephone companies that are not subject to price cap regulation as that term is defined in § 61.3(v) of this chapter, the non-premium charge for the Local Switching element shall be computed by multiplying a hypothetical~~

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~~premium charge for such element by .45. The hypothetical premium charge for such element shall be computed by dividing the annual revenue requirement for such element by the sum of the projected premium access minutes for such period and a number that is computed by multiplying the projected non-premium minutes for such element for such period by .45. For telephone companies that are price cap carriers, the non-premium charge for the Local Switching element shall be computed by multiplying the premium charge for such element by .45. Through June 30, 1993, the non-premium charge shall be computed by multiplying the LS2 charge for such element by .45.~~

- ~~(d) The non-premium charge or charges for the Transport element or elements shall be computed by multiplying the corresponding premium charge or charges by .45.~~
- ~~(e) The non-premium charge for any BSEs in transport or local switching shall be computed by multiplying the premium charge for the corresponding BSEs by .45.~~

~~§ 69.114 Special access.~~

- ~~(a) Appropriate subelements shall be established for the use of equipment or facilities that are assigned to the Special Access element for purposes of apportioning net investment, or that are equivalent to such equipment or facilities for companies subject to price cap regulation as that term is defined in §61.3(v) of this chapter.~~
- ~~(b) Charges for all subelements shall be designed to produce total annual revenue that is equal to the projected annual revenue requirement for the Special Access element.~~
- ~~(c) Charges for an individual element shall be assessed upon all interexchange carriers that use the equipment or facilities that are included within such subelement.~~
- ~~(d) Charges for individual subelements shall be designed to reflect cost differences among subelements in a manner that complies with applicable Commission rules or decisions.~~

§ 69.115 Special access surcharges.⁶

⁶ Moved to Z.107

~~Existing Part 69 Rules~~

§ 69.116 Universal service fund.⁷

§ 69.117 Lifeline assistance.⁸

~~§ 69.118 Traffic sensitive switched services.~~

~~Notwithstanding §§ 69.4(b), 69.106, 69.109, 69.110, 69.111, 69.112, and 69.124, telephone companies subject to the BOC ONA Order, 4 FCC Red 1 (1988) shall, and other telephone companies may, establish approved Basic Service Elements as provided in Amendments of Part 69 of the Commission's rules relating to the Creation of Access Charge Subelements for Open Network Architecture, Report and Order, 6 FCC Red 4524 (1991) and 800 data base subelements, as provided in Provision of Access for 800 Service, 8 FCC Red _____, CC Docket 86-10, FCC 93-____ (1993). Moreover, all customers that use basic 800 data base service shall be assessed a charge that is expressed in dollars and cents per query. Telephone companies shall take into account revenues from the relevant Basic Service Element or Elements and 800 Data Base Service Elements in computing rates for the Local Switching, Entrance Facilities, Tandem Switched Transport, Direct Trunked Transport, Interconnection Charge, and/or Information elements.~~

~~§ 69.119 Basic service element expedited approval process.~~

~~The rules for filing comments and reply comments on requests for expedited approval of new basic service elements are those indicated in § 1.45 of the rules, except as specified otherwise.~~

~~§ 69.120 Line information database.~~

- ~~(a) A charge that is expressed in dollars and cents per query shall be assessed upon all carriers that access validation information from a local exchange carrier database to recover the cost of:~~
- ~~(1) the transmission facilities between the local exchange carrier's signalling transfer point and the database; and~~
 - ~~(2) the signalling transfer point facilities dedicated to the termination of the transmission facilities connecting the database to the exchange carrier's signalling network.~~

⁷ Moved to Z.102

⁸ Moved to Z.103

Existing Part 69 Rules

- ~~(b) A charge that is expressed in dollars and cents per query shall be assessed upon all carriers that access validation information from a local exchange carrier line information database to recover the costs of the database.~~

§ 69.121 Connection charges for expanded interconnection.⁹

§ 69.122 Contribution charges for special access and expanded interconnection.¹⁰

~~§ 69.123 Density pricing zones for special access.~~

- ~~(a) Telephone companies may establish a reasonable number of density pricing zones within each study area that is used for the purposes of jurisdictional separations, in which at least one interconnector has taken the subelement of connection charges for expanded interconnection described in § 69.121(a)(1). Only one set of density pricing zones shall be established within each study area, to be used for the pricing of both special and switched access pursuant to paragraphs (c) and (d) of this section.~~
- ~~(b) Such a system of pricing zones shall be designed to reasonably reflect cost-related characteristics, such as the density of total interstate traffic in central offices located in the respective zones.~~
- ~~(c) Notwithstanding § 69.3(e)(7), in study areas in which at least one interconnector has taken a cross-connect, as described in § 69.121(a)(1), for the transmission of interstate special access traffic, telephone companies may charge rates for special access subelements of DS1, DS3, and such other special access services as the Commission may designate, that differ depending on the zone in which the service is offered, provided that the charges for any such service shall not be deaveraged within any such zone.~~
- ~~(1) A special access service subelement shall be deemed to be offered in the zone that contains the telephone company location from which the service is provided.~~
- ~~(2) A special access service subelement provided to a customer between telephone company locations shall be deemed to be offered in the highest priced zone that contains one of the locations between which the service is offered.~~

⁹ Moved to Z.110

¹⁰ Moved to Z.111

Existing Part 69 Rules

- ~~(d) Notwithstanding § 69.3(e)(7), in study areas in which at least one interconnector has taken a cross connect, as described in section 69.121(a)(1), for the transmission of interstate switched traffic, or is using allocated facilities to interconnect with telephone company interstate switched transport services, telephone companies may charge rates for subelements of direct trunked transport, tandem switched transport, entrance facilities, and dedicated signalling transport that differ depending on the zone in which the service is offered, provided that the charges for any such service shall not be deaveraged within any such zone. Telephone companies may not, however, charge rates for the interconnection charge that differ depending on the zone in which the service is offered.~~
- ~~(1) A switched transport service subelement shall be deemed to be offered in the zone that contains the telephone company location from which the service is provided.~~
- ~~(2) A switched transport service subelement provided to a customer between telephone company locations shall be deemed to be offered in the highest priced zone that contains either of the locations between which the service is offered.~~
- ~~(e) (1) Telephone companies not subject to price cap regulation may charge a rate for each service in the highest priced zone that exceeds the rate for the same service in the lowest priced zone by no more than fifteen percent of the rate for the service in the lowest priced zone during the period from the date that the zones are initially established through the following June 30. The difference between the rates for any such service in the highest priced zone and the lowest priced zone in a study area, measured as a percentage of the rate for the service in the lowest priced zone, may increase by no more than an additional fifteen percentage points in each succeeding year, measured from the rate differential in effect on the last day of the preceding tariff year.~~
- ~~(2) Telephone companies subject to price cap regulation may charge different rates for services in different zones pursuant to § 61.47(h) of this chapter.~~

§ 69.124 Interconnection charge.¹¹

~~§ 69.425 Dedicated signalling transport.~~

¹¹ Moved to Z.108

~~Existing Part 69 Rules~~

- ~~(a) Dedicated signalling transport shall consist of two subelements, a signalling link charge and a signalling transfer point (STP) port termination charge.~~
- ~~(b) (1) A flat rated signalling link charge expressed in dollars and cents per unit of capacity shall be assessed upon all interexchange carriers and other persons that use facilities between an interexchange carrier or other person's common channel signalling network and a telephone company signalling transfer point or equivalent facilities offered by a telephone company. Signalling link charges may be distance sensitive. Mileage shall be measured as airline mileage between the signalling point of interconnection of the interexchange carrier's or other person's common channel signalling network and the telephone company's signalling transfer point.~~
- ~~(2) Signalling link rates will generally be presumed reasonable if they are based on the interoffice charges for equivalent special access services. Telephone companies that have, before the effective date of the Report and Order in Transport Rate Structure and Pricing, CC Docket No. 91-213, FCC 92-442, 7 FCC Red. 7006 (1992), tariffed a signalling link service for signalling transport between the interexchange carrier's or other person's common channel signalling network and the telephone company's STP are permitted to use the rates that are in place.~~
- ~~(c) A flat rated STP port termination charge expressed in dollars and cents per port shall be assessed upon all interexchange carriers and other persons that use dedicated signalling transport.~~

~~§ 69.126 Nonrecurring charges.~~

~~As of the effective date of the Report and Order in Transport Rate Structure and Pricing, CC Docket No. 91-213, FCC 92-442, 7 FCC Red 7006 (1992), telephone companies shall not assess any nonrecurring charges for service connection until May 1, 1994, when an interexchange carrier converts trunks from tandem-switched transport to direct-trunked transport or from direct-trunked transport to tandem-switched transport, or when an interexchange carrier orders the disconnection of overprovisioned trunks.~~

~~§ 69.127 Effective rate structure dates.~~

~~The transport rate structure in effect August 1, 1991, shall be retained until the tariffs filed pursuant to the Report and Order in Transport Rate Structure and Pricing, CC Docket No. 91-213, FCC 92-442, 7 FCC Red 7006 (1992) become effective.~~

~~Existing Part 69 Rules~~

~~§ 69.128 Billing Name and Address.~~

~~Appropriate subelements shall be established for the use of equipment or facilities that are associated with offerings of billing name and address.~~

Subpart C - Computation of Transition Charge

~~§ 69.201 General.~~

~~Notwithstanding §§ 69.4, 69.104, 69.108, and 69.111 through 69.112, charges for the access elements described in this Subpart shall be computed in accordance with this Subpart during the period commencing January 1, 1984 and ending December 31, 1992. This Subpart does not supersede §§ 69.108(c) through (e).~~

~~§ 69.202 [Deleted]~~

~~§ 69.203 Transitional end user common line charges.~~

- ~~(a) Except as provided in § 69.104 and § 69.204, the End User Common Line charge for single line business subscribers, single line residential subscribers, and multi line residential subscribers shall be the lesser of the charge computed in § 69.104(e) or \$2 per line per month until June 30, 1987; \$2.80 per line per month during the period from July 1, 1987 through November 30, 1988; \$3.20 per line per month during the period from December 1, 1988 through March 31, 1989; and \$3.50 per month thereafter.~~
- ~~(b) The End User Common Line charge for each subscriber line used for Centrex-CO service that was in place or on order as of July 27, 1983, shall be the lesser of the charge computed in § 69.104(e) or \$3 per line per month until June 30, 1987; \$4 per line per month during the period July 1, 1987 through November 30, 1988; \$5 per line per month for the period from December 1, 1988 through March 31, 1989; and \$6 per line per month thereafter.~~
- ~~(c) No charge shall be assessed for any WATS access line.~~
- ~~(d) Except as provided in paragraphs (f) and (g), the End User Common Line charge for single line and multi line residential subscribers shall be \$1 per month per line during the June 1, 1985 May 31, 1986 period and \$2 per month per line after May 31, 1986.~~

Existing Part 69 Rules

- ~~(e) The End User Common Line charge for each multi-party subscriber shall be assessed as if such subscriber had subscribed to single party service.~~
- ~~(f) The End User Common Line charge for a residential subscriber shall be 50% of the charge specified in subsections (d) and (e) if the residential local exchange rate for such subscribers is reduced by an equivalent amount, provided that such local exchange service rate reduction is based upon a means test that is subject to verification.~~
- ~~(g) (1) The End User Common Line charge for residential subscribers shall be reduced to the extent of the state assistance as calculated in (g)(2) of this section, or waived in full if the state assistance equals or exceeds the residential End User Common Line Charge under the circumstances described below. In order to qualify for this waiver, the subscriber must be eligible for and receive assistance or benefits provided pursuant to a narrowly targeted telephone lifeline assistance plan requiring verification of eligibility, implemented by the state or local telephone company. A state or local telephone company wishing to implement this End User Common Line reduction or waiver for its subscribers shall file information with the Commission Secretary demonstrating that its plan meets the criteria set out in this section, and showing the amount of state assistance per subscriber as described in (g)(2) of this section. The reduction or waiver of the End User Common Line Charge shall be available as soon as the Commission certifies that the state or local telephone plan satisfies the criteria set out in this subsection, and the relevant tariff provisions become effective.~~
 - ~~(2) (i) The state assistance per subscriber shall be equal to the difference between the charges to be paid by participating subscribers and those to be paid by other subscribers for comparable monthly local exchange service, service connections and customer deposits, except that benefits or assistance for connection charges and deposit requirements may only be counted once annually. In order to be included in calculating the state assistance, such benefits must be for a single telephone line to the household's principal residence.~~
 - ~~(ii) The monthly state assistance per participating subscriber shall be calculated by adding the amounts calculated in paragraphs (g)(2)(i)(A) and (B) of this section.~~
 - ~~(A) The amount of the monthly state assistance per participating subscriber for local exchange service charges shall be~~

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~~calculated by dividing the annual difference between the charges paid by all participating subscribers for residential local exchange service and the amount which would have been charged to non-qualifying subscribers for comparable service by twelve times the number of subscribers participating in the state assistance program. Estimates may be used when historic data is not available.~~

~~(B) The amount of the monthly state assistance for service connections and customer deposits per participating subscriber shall be calculated by determining the annual amount of the reductions in these charges for participating subscribers each year, and dividing this amount by twelve times the number of participating subscribers. Estimates may be used when historic data is not available.~~

~~(h) No charge shall be assessed for any WATS access line.~~

§ 69.204 Optional alternative carrier common line tariff provisions.¹²

~~§ 69.205 Transitional premium charges.~~

~~(a) Charges that are computed in accordance with this section shall be assessed upon interexchange carriers or other persons that receive premium access in lieu of carrier charges that are computed in with §§ 69.106, 69.111, 69.112, and 69.118 of this part if any carrier or other person does not receive premium access, as this term is defined in § 69.105.~~

~~(b) Separate Local Switching transitional premium charges that are expressed in dollars and cents per access minute shall be computed for the LS1 and LS2 categories. The LS1 category shall consist of local dial switching for services other than MTS, WATS and services receiving access to the local switch equal to that received by MTS and WATS. The LS2 category shall consist of local dial switching for MTS, WATS and services receiving access to the local switch equal to that received by MTS and WATS.~~

~~(c) Except for telephone companies subject to price cap regulation, as that term is defined in § 61.3(v) of this chapter, the charge for an LS2 premium access minute shall be computed by dividing the premium Local Switching revenue requirement by the sum of the projected LS2 premium access minutes and a~~

Existing Part 69 Rules

~~number that is computed by multiplying the projected LS1 premium access minutes by the applicable LS1 transition factor. For all telephone companies, the charge for an LS1 premium access minute shall be computed by multiplying the charge for an LS2 premium minute by the applicable LS1 transition factor. For telephone companies that are not subject to price cap regulation, as that term is defined in § 64.3(v) of this chapter, the premium Local Switching revenue requirement shall be computed by subtracting the projected revenues from non-premium charges attributable to the Local Switching element from the revenue requirement for each element.)~~

~~(d) During each of the following years the LS1 transition factor shall be:~~

~~(1) April 1, 1990 to June 30, 1990 .877~~

~~(2) July 1, 1990 to June 30, 1991 .921~~

~~(3) July 1, 1991 to June 30, 1992 .960~~

~~(4) July 1, 1992 to June 30, 1993 .995~~

~~(e) Transitional premium charges that are computed in accordance with applicable requirements shall be assessed for the Transport element or elements. Such premium charges shall be designed to produce total annual revenue that is equal to the premium transport revenue requirement. The premium transport revenue requirement shall be computed by subtracting projected revenues from non-premium charges attributable to the Transport element or elements from the revenue requirement for such element or elements.~~

~~§ 69.206 [Deleted]~~

~~§ 69.207 [Deleted]~~

~~§ 69.208 [Deleted]~~

~~§ 69.209 [Deleted]~~

~~§ 69.210 [Deleted]~~

Subpart D - Apportionment of Net Investment¹³

¹³

Moved to Part Y and split into Subpart E and Subpart F

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Subpart E - Apportionment of Expenses¹⁴

Subpart F - Segregation of Common Line Element Revenue Requirement¹⁵

Subpart G - Exchange Carrier Association¹⁶

¹⁴ Moved to Part Y and split into Subpart E and Subpart F

¹⁵ Moved to Part Z, Subpart D

¹⁶ Moved to Part Z, Subpart E

CODE OF FEDERAL REGULATIONS

TITLE 47 - TELECOMMUNICATIONS

CHAPTER 1

FEDERAL COMMUNICATIONS COMMISSION

PART Y - LOCAL EXCHANGE CARRIER ACCESS PRICING

**REPORTS OF COMMUNICATION COMMON CARRIERS
AND CERTAIN AFFILIATES**

USTA PROPOSED REVISIONS

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Proposed Part Y Rules

Subpart A - General

§ Y.1 Application of access charges.¹ Scope

- (a) This Part establishes pricing rules for access charges for interstate or foreign access services provided by local exchange carriers telephone companies on or after January 1, 1984.
- (b) ~~Except as provided in § 69.1(c), charges for such access service shall be computed, assessed and collected and revenues from such charges shall be distributed as provided in this Part. Access service tariffs shall be filed and supported as provided under Part 61 of this chapter, except as modified herein.~~
- (c) ~~The following provisions of this part shall apply to telephone companies subject to price cap regulation only to the extent that application of such provisions is necessary to develop the nationwide average carrier common line charge, for purposes of reporting pursuant to § 43.21 and § 43.22, and for computing initial transport rates: §§ 69.3(f), 69.105(b)(4), 69.105(b)(5), 69.106(b), 69.107(b), 69.107(c), 69.109(b), 69.110(d), 69.111(c), 69.111(g), 69.114(b), 69.114(d), 69.125(b)(2), 69.205(e), 69.301 through 69.310, and 69.401 through 69.412. The computation of rates pursuant to these provisions by telephone companies subject to price cap regulation, shall be governed by the price cap rules set forth in Part 61 of this chapter and other applicable Commission Rules and orders.~~

§ Y.2 Definitions.²

For purposes of this part:

- (a) "Access category" is a general classification into which access functionalities (e.g., transport, switching, etc.) may be logically grouped.
- (b) "Access Minutes" or "Access Minutes of Use" is that usage of exchange facilities in interstate or foreign service for the purpose of calculating chargeable usage. On the originating end of an interstate or foreign call,

¹ Moved from 69.1

² Moved from 69.2 and 61.3

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usage is to be measured from the time the originating end user's call is delivered by the ~~telephone company~~ local exchange carrier and acknowledged as received by the interexchange carrier's facilities connected with the originating exchange. On the terminating end of an interstate or foreign call, usage is to be measured from the time the call is received by the end user in the terminating exchange. Timing of usage at both the originating and terminating end of an interstate or foreign call shall terminate when the calling or called party disconnects, whichever event is recognized first in the originating and terminating end exchanges as applicable;

- (c) Actual Price Index (API). An index of the level of aggregate rate element rates in a basket, which index is calculated pursuant to § ~~61.46~~ § Y.204.
- (d) "Access Service" includes services and facilities provided for the origination or termination of any interstate or foreign telecommunication;
- (e) "Annual revenue requirement" means the sum of the return component and the expense component;
- (f) "Association" means the ~~telephone company~~ local exchange carrier association described in ~~Subpart G of this Part~~; Part Z, Subpart E.
- (g) Base period. For carriers subject to ~~§§ 61.41-4~~ price cap regulation, the 12-month period ending six months prior to the effective date of annual price cap tariffs, or for carriers regulated under § ~~61.50~~ 61.41, the 24-month period ending six months prior to the effective date of biennial optional incentive plan tariffs.
- (h) Basket. Any class or category of tariffed service:
 - (1) which is established by the Commission pursuant to price cap regulations;
 - (2) the rates of which are reflected in an Actual Price Index; and
 - (3) the related costs of which are reflected in a Price Cap Index.
- (i) "Big Three Expenses" are the combined expense groups comprising: Plant Specific Operations Expense, Accounts 6110, 6120, 6210, 6220, 6230, 6310 and 6410; Plant Nonspecific Operations Expenses, Accounts 6510 , 6530 and 6540, and Customer Operations Expenses, Accounts 6610 and

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6620;

- (j) **"Big Three Expense Factors" are the ratios of the sum of Big Three Expenses apportioned to each element or category to the combined Big Three Expenses.**
- (k) **"Cable and Wire Facilities" includes all equipment or facilities that are described as cable and wire facilities in the Separations Manual and included in Account 2410;**
- (l) **"Carrier Cable and Wire Facilities" means all cable and wire facilities that are not subscriber line cable and wire facilities;**
- (m) **"Central Office Equipment" or "COE" includes all equipment or facilities that are described as Central Office Equipment in the Separations Manual and included in Accounts 2210, 2220 and 2230;**
- (n) **Change in rate structure. A restructuring or other alteration of the rate components for an existing service.**
- (o) **Competitive Market Area. A geographic area consisting of the serving area of one local exchange carrier wire center that satisfies the competitive criteria as set forth in § Y.101(g) or (l).**
- (p) **Contract-based Tariff. A tariff based on a service contract entered into between an interexchange a common carrier and a customer.**
- (q) **"Corporate Operations Expenses" include Executive and planning Expenses (Account 6710) and General and Administrative Expenses (Account 6720);**
- (r) **"Customer Operations Expenses" include Marketing and Services expenses in Accounts 6610 and 6620, respectively;**
- (s) **"Direct Expense" means expenses that are attributable to a particular category or categories of tangible investment described in Subpart D and E of this Part and includes:**
 - (1) **Plant Specific Operations expenses in Accounts 6110, 6120, 6210, 6220, 6230, 6310 and 6410; and**
 - (2) **Plant Nonspecific Operations Expenses in Accounts 6510, 6530, 6540 and 6560;**

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- (t) "End Office" means the ~~telephone company~~ local exchange carrier office from which the end user receives exchange service.
- (u) "End User" means any customer of an interstate or foreign telecommunications service that is not a carrier except that a carrier other than a ~~telephone company~~ local exchange carrier shall be deemed to be an "end user" when such carrier uses a telecommunications service for administrative purposes and a person or entity that offers telecommunications services exclusively as a reseller shall be deemed to be an "end user" if all resale transmissions offered by such reseller originate on the premises of such reseller;
- (v) "Entry Switch" means the ~~telephone company~~ local exchange carrier switch in which a transport line or trunk terminates;
- (w) "Equal access investment and equal access expenses" mean equal access investment and expenses as defined for purposes of the Part 36 separations rules.
- (x) "Expense Component" means the total expenses and income charges for an annual period that are attributable to a particular element or category;
- (y) "Expenses" include allowable expenses in the Uniform System of Accounts, Part 32, apportioned to interstate or international services pursuant to the Separations Manual and allowable income charges apportioned to interstate and international services pursuant to the Separations Manual;
- (z) GNP Price Index. (GNP-PI). The estimate of the "Fixed-Weighted Price Index for Gross National Product, 1982 Weights" published by the United States Department of Commerce, which the Commission designates by Order.
- (aa) "General Support Facilities" include buildings, land, vehicles, aircraft, work equipment, furniture, office equipment and general purpose computers as described in the Separations Manual and included in Account 2110;
- (bb) Initial Market Area (IMA). A geographic area comprised of the serving areas of one or more local exchange carrier wire centers. An IMA includes all of the wire centers in a study area or a subset of those wire centers. An IMA does not include wire centers which have been designated as Transitional Market Area (TMA) wire centers or Competitive Market Area (CMA) wire centers.

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- (cc) **"Information Origination/Termination Equipment"** includes all equipment or facilities that are described as information origination/termination equipment in the Separations Manual and in Account 2310 except information origination/termination equipment that is used by ~~telephone companies~~ local exchange carriers in their own operations;
- (dd) **"Interexchange" or the ~~"interexchange category"~~** includes services or facilities provided as an integral part of interstate or foreign telecommunications that is not described as "access service" for purposes of this Part;
- (ee) **"Line" or "Trunk"** includes, but is not limited to, transmission media such as radio, satellite, wire, cable and fiber optic means of transmission;
- (ff) **~~"Telephone Company"~~ Local exchange carrier** means a carrier that provides telephone exchange service as defined in Section 3(r) of the Communications Act of 1934;
- (gg) **"Long Term Support" (LTS)** means funds provided by ~~telephone companies~~ local exchange carriers that are not association Common Line tariff participants to association Common Line tariff participants. LTS enables association Common line tariff participants to charge a Common Line (CL) rate equivalent to the CL rate that would result if all ~~telephone companies~~ local exchange carriers participated in the association Common Line tariff.
- (hh) **Market Area.** A geographic area designated by a local exchange carrier which is comprised of the serving areas of one or more wire centers.
- (ii) **Market Area Service Band Index (MASBI).** An index of the level of aggregate ~~rate element rates~~ in a market area service category, ~~which index is calculated pursuant to § 61.47~~
- (jj) **Service Market area category.** Any group of rate elements ~~subject to price cap regulation~~, which group is subject to a banding constraint.
- (kk) **Market Area Classification.** The classification of market areas into Initial Market Areas (IMAs), Transitional Market Areas (TMAs) or Competitive Market Areas (CMAs).
- (ll) **"Net Investment"** means allowable original cost investment in Accounts 2001 through 2003, 1220 and 1402 that has been apportioned to interstate and foreign services pursuant to the Separations Manual from which

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depreciation, amortization and other reserves attributable to such investment that has been apportioned to interstate and foreign services pursuant to the Separations Manual have been subtracted and to which working capital that is attributable to interstate and foreign services has been added;

- (mm) **New service offering.** A tariff filing that provides for a class or sub-class or service not previously offered by the carrier involved and that enlarges the range of service options available to ratepayers.
- (nn) **Non-price cap local exchange carrier.** A local exchange carrier that is not subject to price cap regulation as set forth in § Y.201 through § Y.207.
- (oo) **Optional Incentive Regulation (OIR).** A form of incentive regulation that non-price cap local exchange carriers may elect pursuant to § 61.41.
- (pp) "Operating Taxes" include all taxes in Account 7200;
- (qq) "Origination" of a service that is switched in a Class 4 switch or an interexchange switch that performs an equivalent function ends when the transmission enters such switch and "termination" of such a service begins when the transmission leaves such a switch, except that:
 - (1) Switching in a Class 4 switch or transmission between Class 4 switches that is not deemed to be interexchange for purposes of the Modified Final Judgment entered August 24, 1982, in United States v. Western Electric Co., D.C. Civil Action No. 82-0192, will be "origination" or termination" for purposes of this Part, and
 - (2) "Origination" and "Termination" does not include the use of any part of a line, trunk or switch that is not owned or leased by a telephone company local exchange carrier,
- (rr) "Origination" of any service other than a service that is switched in a Class 4 switch or a switch that performs an equivalent function ends and "termination" of any such service begins at a point of demarcation that corresponds with the point of demarcation that is used for a service that is switched in a Class 4 switch or a switch that performs an equivalent function;
- (ss) **Price Cap Index (PCI).** An index of costs applying to local exchange carriers subject to price cap regulation, which index is calculated for each

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basket pursuant to ~~§§ 61.44 or 61.45~~ Y.203.

- (tt) **Price cap local exchange carrier.** A local exchange carrier that is subject to price cap regulation as set forth in § Y.201 through § Y.207.
- (uu) **Price cap tariff.** Any tariff filing involving a service that is within a price cap basket, or that requires calculations pursuant to ~~§§ 61.44, 61.45, 61.46, or 61.47~~ § Y.203, § Y.204 or § Y.205.
- (vv) **"Price cap regulation"** means the method of regulation of ~~dominant local exchange carriers~~ provided in ~~§§ 61.41 through 61.49 of this chapter.~~ § Y.201 through § Y.207.
- (ww) **"Private Line"** means a line that is used exclusively for an interexchange service other than MTS, WATS or an MTS-WATS equivalent service, including a line that is used at the closed end of an FX, WATS or CCSA service or any service that is substantially equivalent to a CCSA service;
- (xx) **Productivity factor.** An adjustment factor used to make annual adjustments to the Price Cap Index to reflect the margin by which a carrier subject to price cap regulation is expected to improve its productivity to the economy as a whole.
- (yy) **"Public Telephone"** is a telephone provided by a ~~telephone company~~ local exchange carrier through which an end user may originate interstate or foreign telecommunications for which he pays with coins or by credit card, collect or third number billing procedures;
- (zz) **Restructured service.** An offering which represents the modification of a method of charging or provisioning a service; or the introduction of a new method of charging or provisioning that does not result in a net increase in options available to customers.
- (aaa) **"Return Component"** means net investment attributable to a particular element or category multiplied by the authorized annual rate of return;
- (bbb) **"Subscriber Line Cable and Wire Facilities"** means all lines or trunks on the subscriber side of a Class 5 or end office switch, including lines or trunks that do not terminate in such a switch, except lines or trunks that connect an interexchange carrier;
- (ccc) **Transitional Market Area (TMA).** A geographic area comprised of the